

MEMORANDUM FOR THE RECORD

The Director met with Messrs. David Bell and Elmer Staats, Director and Deputy Director of the Bureau of the Budget respectively, on Wednesday, 25 January, and the following subjects were discussed.

1. Continuation of the President's Board of Consultants on Foreign Intelligence Activities -- the Director stated that he favored this.

2. CIA Reserve -- in view of the fact that the Reserve may be depleted by the end of the current fiscal year, the Director may request additional funds provided the [] submits a request for a deficiency appropriation.

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3. Progress on implementation of the recommendations contained in the Joint Study Group -- it was agreed at the Deputies' Meeting on 27 January that follow-up action on this will be invested in [] Staff at such time as its organization is approved.

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4. 5412 Projects -- the Director made it clear to Messrs. Bell and Staats that CIA does not have the tools the Communists possess such as local parties, front organizations, etc., and therefore the necessity of projects such as those authorized under NSC 5412. He also made it clear that while the Agency had never failed to take action under projects of this nature due to lack of funds, the world situation being what it is there is good reason to believe that we may need additional money for programs in this field.

5. RFE -- the Director pointed out that with the reduction proposed in the budget for this organization, we might expect a morale problem particularly affecting []

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6. OCB and Planning Board.

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